

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Debt Relief to farmers, Women Self Help Groups; of the State of Andhra Pradesh -Operational guidelines to the implementing agencies issued:

FINANCE (IF) DEPARTMENT

G.O.Ms.No.174

Dated: 14.08.2014.
Read the following:-

- 1) G.O.Ms.No.31 Agriculture & Cooperation (Agri.II) Department, dt.10.06.2014.
- 2) G.O.Ms.No.164 Finance (IF) Department, dt.02.08.2014.

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ORDER:

In the GO. 2nd read above, the following orders were issued:

- To waive the agriculture crop loans and gold loans availed for agricultural purposes, together not exceeding Rs.1.50 lakhs per family.
 - To infuse fresh capital not exceeding Rs.1.00 lakh per DWCRA group in order to financially strengthen the groups.
2. The operational guidelines to implement the above orders are annexed herewith.
 3. All the implementing agencies viz; Commercial Banks, Regional Rural Banks, Cooperative Banks (Other than Urban Cooperatives) as also Primary Agriculture Cooperative Credit Societies (PACS) and Farmers' Service Cooperative Societies (FSCS) which are accredited to the lending institutions for advancing direct agriculture crop loans, are advised to follow the guidelines for strict compliance.
 4. The State Level Bankers' Committee (SLBC) of Andhra Pradesh is requested to guide and monitor the implementation of the scheme as per the guidelines.
 5. This G.O. is available in Andhra Pradesh Government Website <http://goir.ap.gov.in/>.
(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

L.PREMACHANDRA REDDY
Secretary to Government (B&IF)

To
All Departments of Secretariat
All Heads of Department
The Accountant General, A.P. Hyderabad
All District Collectors
All District Treasury Officers
The pay and Account Officer, Hyderabad
The Director of Treasuries & Accounts, A.P. Hyderabad.
The Chief General Manager, RBI, Regional Office, Hyderabad
The Chief General Manager, NABARD, Hyderabad.
The Convenor, SLBC of AP, Andhra Bank, Head Office, Hyderabad.
MD, AP. State Coop Bank, Hyderabad.
All Public Sector Banks
All Private Sector Banks
All Regional Rural Banks

Copy to:

The P.S. to Chief Secretary to Government of Andhra Pradesh.
The P.S. to Hon'ble Chief Minister of Andhra Pradesh.
The P.S. to Special Chief Secretary, Planning Department.
The P.S. to Principal Secretary/Secretary to Government, Finance Department/ Rural Development Department/Agriculture Department/ Finance (IF) Dept.
SF/SCs

//FORWARDED::BY ORDER//

SECTION OFFICER

Draft guidelines for implementing the Debt Waiver Scheme of Agriculture Crop Loans to farmers

Scope and Coverage:

The scheme applies to crop loans (including gold loans sanctioned for raising crops) extended by Scheduled Commercial Banks, Regional Rural Banks and Cooperative banks (not UCBs) through their branches/ Societies in the State of Andhra Pradesh (13 districts). Loans granted to primary Agriculture Cooperative Credit Societies/FSCs which are accredited to lending institutions for advancing direct agriculture crop loans to agriculture family are also covered under the scheme.

Cut-off date for waiver:

2. The Crop loans & agriculture gold loans disbursed for crop purposes only, including the loans converted to MTL due to calamities, upto 31.12.2013 and outstanding (including interest) as on 31/3/2014 are eligible for coverage under the scheme.

3. Loans which were outstanding as on 31.03.2014 would be eligible for waiver even if they were subsequently repaid to the bank/cooperative.

Loans excluded:

4. Short term loans sanctioned for meeting working capital needs of horticulture activity, allied activities like fisheries, poultry, dairy etc; and agricultural produce (pledge) loans including loans against warehouse receipts, working capital to activities related to indirect finance like fertilisers, etc;

Category of Borrowers Eligible:

5. The following categories of borrowers are eligible for loan waiver scheme subject to certain condition prescribed in para 3.

- i. Family who have directly availed of crop production loans against hypothecation of standing crops/mortgage of land/ pledge of gold ornaments
- ii. Rythumitra and Joint Liability Groups having availed crop loans, are eligible on pro-rata basis as per the amount drawn by each member, the aggregate amount subject to waiver ceiling.
- iii. Credit extended to holders of Kisan Credit Card.
- iv. Family whose crop loan was converted into medium term loan due to occurrence of natural calamities.
- v. Agriculture Gold loan for crop production purpose subject to the loan being supported by ROR, observance of seasonality and scales of finance by the bank.
- vi. In the event of both the pattadar holder as also the LEC holder/oral lessee availing short term crop loans on the same survey number, the benefit should be extended to the LEC holder / tenant cultivator only.
- vii. Loans to farmers by companies or other institutions like registered societies (other than FSCs/PACCs) trusts, partnerships, MFIs/UCBs are not covered under the scheme.

Eligibility Criteria:

- i. For purposes of loan waiver family is taken as a unit. The total amount of loan waived for all eligible purposes from all banks taken together cannot exceed the ceiling of Rs.1.50 lakhs fixed for the waiver.
- ii. The total amount eligible for waiver shall be limited to crop loan and agriculture gold loan for crop purposes and short term credit converted into MT loan subject to the ceiling prescribed for family.
- iii. The total amount that can be waived will be the aggregate of actual amount outstanding in the respective loan accounts of family subject to a ceiling of Rs.1.50 lakh, for crop loan or gold loan or converted crop loan jointly for family.

The benefit should be limited to Rs.1.50 lakhs per family.

Definition of Family:

6. Family is defined as i.e. Head of the family, his wife & dependent children. Criteria to identify the family members shall be from documents like Ration Card, Voter list etc;.

Data Collection:

7. In order to ensure that the benefits of the Scheme reach all eligible families, data is to be called for from the banks. For this purpose, a Committee under the guidance of the Advisor (IT), Govt. of Andhra Pradesh, has developed a template to be submitted by each branch of all scheduled banks including RRBs, Cooperative Banks (excluding urban cooperatives) and PACs/FSS ceded to the Commercial Banks and Cooperatives.

8. A major part of the data for the template can be extracted by banks from their Core Banking Solutions platform. Other columns of the template have to be filled-up by way of data entry by the bank-branch concerned.

9. If any of the information required in the 30 column format is not available either in the CBS or in loan file maintained by the bank, the branch manager may call the loanee with the relevant record (say, Aadhaar Number/ Ration Card/ Pattadar Pass Book/ Khata/LEC) and enter the details in the presence of the loanee.

10. A front-end application will be developed by NIC (National Informatics Centre) which shows account-wise Core Banking Solutions details and additionally capture other parameters like Aadhar number, Ration Card Number etc. Branch level access to this application to update data will be provided. To expedite implementation process the services of an outsourcing agency may also be drafted, if necessary.

Role of District Administration:

11. The data collection on the above lines is to be closely monitored by the concerned District Collectors. On receipt of these guidelines, the District Collector should immediately convene meeting with the controllers of Major Banks operating in the area, LDM, Officers of Agriculture and Revenue Departments and prescribe a time-line by which the data collection from each bank-branch has to be completed.

12. It should be noted that unless all branches submit the data, the process of determining the eligible amount for the families cannot commence and therefore the district administration has to ensure timely submission of data by the Banks. The District Collectors need to also ensure that the required mobilization for linking of different data base is done effectively.

Benefit for agriculture family as concept:

13. Benefit of Debt waiver applies to agriculture family as a unit and not individual account separately.

14. In case 2/3 members of a family whether married or unmarried had availed loans against the same survey number, it will be treated as a single unit for the purpose of family benefit. Loans availed over and above the eligible loan limits will be restricted to the Scale of Finance terms in vogue.

15. Either crop loan or agriculture gold loan for crop purposes or converted crop loan is eligible subject to ceiling.

16. While considering waiver the priority is as follows:

- a) First - crop loans
- b) Second - converted crop loans
- c) Third - agriculture gold loans for crop purposes only and not for allied activities.

17. The benefit of debt waiver will be extended as per above ranking subject to ceiling.

Computation of Eligible amount:

18. The amount eligible for waiver shall be computed in the following manner.
 - a) The total amount of loan borrowed by the family shall be the determining factor.
 - b) After arriving at the amount in the manner prescribed, determine what loans are eligible to be covered under the scheme. After determining the amount, the loan account against which the waiver would be effected shall be determined. If the loan amount falls within the limits prescribed, i.e., Rs.1.50 lakhs the entire amount would be eligible for waiver. Where it exceeds the limit the waiver would be limited to the prescribed amount.
 - c) The amount so arrived at will be shown against the borrower as the amount to be waived by the State Government. This amount would also be entered in the Pattadar Pass book and authenticated by the bank concerned, with the bank seal.
 - d) Similarly, amount of benefit extended in respect of crop loan availed against the pledge of gold ornaments should also be entered in the Pattadar Pass Book, if the gold loan is proposed for write off.

Manner of Settlement:

19. The Branch Manager will maintain an individual account of persons for family manually, where in the amount eligible for waiver will be shown. As and when the amount is released by the Government, adjustments would be made in this account.

20. Controllers of banks should ensure uploading of branch-wise data to the Government portal. District Administration should also render necessary assistance to banks to get full details from the farmers, required as per the Template.

Procedure for waiver:

- i. Where a family has taken loan from more than one bank/ institution, the bank/ institution which has retained the original pattadar pass book while giving loan will get the priority. If the lending was against different survey numbers for different banks, the benefit would be distributed on pro-rata basis. The benefit thus shared shall be entered in the respective Pattadar pass book/s of the family and the concerned Branch Manager shall put his signature and seal on the pass book.
- ii. If it is more than the ceiling, the waived amount will be limited to the ceiling prescribed by the Government. The branch manager concerned will affix their seal and signature after recording the amount in the Pattadar pass book/LEC card.
- iii. In respect of beneficiaries who had already repaid the loan, the eligible amount would be credited to the saving bank account of the beneficiary and he would be permitted to draw the amount.
- iv. As regards those who had not repaid the loan, the waiver amount would be credited to the loan account of family and the outstanding balance would be reduced to that extent, as per the method mention in para 16 (a), (b) and (c).
- v. If the loan outstandings of the beneficiary are higher than the waiver extended by the Government under the Scheme, the balance will be paid by the beneficiary concerned.
- vi. Crop Insurance claims of family as and when received, should be appropriated to the Government, to the extent of the amount waived and balance if any, beyond waiver limit shall be credited to farmer' account.

21. It is reiterated that no amount shall be waived without proper endorsement on the pattadar pass book/LEC card.

Obligations of the lending institutions:

- a) Banks to collect information as per the format furnished by Government, viz; Aadhaar Number, Pattadar Pass Book number etc; and enter the details in their system and ensure that the benefit goes to **family as unit** within overall ceiling.
- b) Every lending institution shall be responsible for the correctness and integrity of the list of family eligible under this scheme and the particulars of the debt waiver in respect of each family member of farmer. Every document maintained, every list prepared and every certificate issued by a lending institution for the purposes of this scheme shall bear the signature of the authorized officer of the lending institution, his/her name together with the Employee Code Number with the seal of the organisation.

- c) Government will constitute one or more Grievance Redressal Committee (s) which will include representatives from Government and lending institutions for each Region/ Zone (having regard to the number of branches in the Region/ Zone). The name, address and phone numbers of the Grievance Redressal Committee/ Officer concerned shall be displayed in each branch of the lending institution. The Grievance Redressal Committee shall have the authority to receive representations from aggrieved farmers and pass appropriate orders thereon, within the frame work of the scheme guidelines.
- d) Any farmer who is aggrieved on the ground that his name has not been included in the list of eligible members referred to above or on the ground that the waiver granted to him has been calculated wrongly, may make a representation through the branch from which he received the loan or directly to the Grievance Redressal Committee and every such representation shall be disposed of within 30 days of receipt thereof.

Implementation:

22. Since the claims of the lending institutions will be processed by the State Government on the basis of the audited books of account (as on 31.03.2014), it should be important that due care is taken while preparing the list of beneficiaries.

Claim reimbursement modalities:

23. State Government directly or through notified agencies will settle the claim received from respective banks and pass on the benefit online, to the account of the beneficiary(s).

Data Maintenance:

24. Banks are required to maintain additional data as under:
- i. Detailed borrower wise data along with additional information may be maintained by banks at the branch level as per the formats given. This data is required to be kept ready for inspection / audit and reference, as and when required. The branch wise data in summary form may also be maintained at the Regional Office/ Zonal Office/ Controlling Office.
 - ii. The above information may be maintained for S&MF and others, separately.
 - iii. Data should also be maintained in respect of SC/ST/ Minorities/ Women beneficiaries, separately.
 - iv. Banks are also required to maintain District-wise data Village-wise relating to the amounts waived in the respective Controlling Offices / and forward a copy of the same to the SLBC Convenor of the State.
 - v. The data of the loan waiver and reporting returns shall also be maintained in soft form.

Audit:

25. The books of account of every lending institution that has granted debt waiver under this scheme (including the books of accounts maintained at the branches) shall be subject to an audit. Audit mechanism will be evolved in due course.

Fresh Finance:

26. The farmers whose crop loans are waived under the scheme will be eligible for fresh finance from the lending institutions provided the amount waived is equal to the loan outstanding.

Time frame for implementation:

Sl.No.	Particulars	Time frame
1.	Preparation of list of eligible borrowers.	Within 14 days from the date of notification by the Government.
2.	Noting of the details of benefit given under scheme in the Pattadar Passbook.	The day on which the benefit has been released to individual farmer. This implies that only after noting in the Pattadar Passbook, the benefit can be released by the bank.
3.	Notifying extending of benefit for noting in the revenue records of the Government.	Within a period of one week.

Interpretation and power to resolve differences:

- a) If any doubt arises on the interpretation of any paragraph of this scheme or any instructions issued there under, the State Government shall resolve the doubt and the decision of the State Government shall be final.
- b) If any difficulty arises in giving effect to the provisions of the scheme or any instructions issued there under, the State Government will take up measures which appears to it to be necessary or expedient for the purposes of removing the difficulty.

Publicity:

- a) A copy of this scheme in English and Telugu Language shall be displayed in each branch of every lending institution covered under this scheme.
- b) A copy of this scheme will be available on the websites of the State Government and SLBC.



Coloured fields are obtained from the CBS

Coloured fields indicate Crop Location details and multiple rows per loan account can be entered in the portal

✓ marked columns from CBS are editable/selectable from drop-down options in the Portal

Account type is selectable from Portal. When filling from Excel, different sheets for Individuals and Groups will be provided

Others in Account type indicates Loans provided for Corporates, Partnership Firms, Other Institutions etc.

Select Account Type

○

Individual

○

Group

○

Others

Bank	Branch	Branch Code	Name Of The Farmer	Customer Id	Savings Bank A/C No.	Address	Father Name /Husband Name	Residing District	Residing Mandal	Residing Village	SC/ST/ GEN	SF /MF /Oth
1	2	3	4	5	6	7✓	8	9	10	11	12✓	13✓

Loan A/C No	Loan AMT	Nature of Facility	Purpose	Outstanding @31.03.2014 (Incl.interst)	Date of Disbursement	Date Of Repayment	Nature of Land Proof Document
14	15	16✓	17✓	18	19	20	21

Crop Location Details					
District	Mandal	Village	Survey No	Khata No.	Pattadar Pass Book No.
22	23	24	25	26	27

Aadhar No.	Ration Card No.	Mobile No.
28	29	30